

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Kaloogian Analyst: Colin Stevens Bill Number: AB 2070

Related Bills: _____ Telephone: 845-3036 Amended Date: 6/15/98

Attorney: Doug Bramhall

Sponsor: _____

SUBJECT: Interstate Trust Business

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO SUPPORT.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED APRIL 28, 1998, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

This bill would allow foreign (other state or nation) banks to transact trust business in California and would place restrictions on those banks' trust activities similar to restrictions currently placed on banks registered in California. This bill also would make other changes to terms and definitions relating to banks engaging in trust activities.

The June 15, 1998, amendments would (1) allow the Commissioner of Financial Institutions to prohibit a bank from marketing or soliciting in California, subject to certain limitations, (2) provide that a bank marketing or soliciting to act as a fiduciary is deemed to have appointed the Commissioner as its attorney to receive process, and (3) make technical changes to the bill, including changes to terms.

These amendments do not impact the department. The department's prior analyses of the bill still apply.

BOARD POSITION

Support.

At its May 28, 1998, meeting the Franchise Tax Board voted 2-0 to support this bill, with the representative from Department of Finance absent.

Board Position:

☒ X ☐ S
☐ SA
☐ N

☐ NA
☐ O
☐ OUA

☐ NP
☐ NAR
☐ PENDING

Department/Legislative Director

Date

Johnnie Lou Rosas

6/29/98